



Gatton
COLLEGE OF BUSINESS & ECONOMICS
UNIVERSITY OF KENTUCKY



April 11, 2016

Senate's Academic Organization and Structure Committee
University Senate
University of Kentucky

Re: Support for the John H. Schnatter Institute for the Study of Free Enterprise

Dear Colleagues:

As Dean of the Gatton College of Business and Economics I enthusiastically support establishing the Schnatter Institute. I have agreed to provide adequate physical space for the administration of the institute and will also work to provide funding to support faculty members and graduate students funded by the institute in the unlikely event that external funds are no longer available.

The \$10 million charitable grants from the Schnatter and Koch Foundations to establish the institute are intended as seed funding over five years ending in 2020. While the funding is potentially renewable, I understand that there may be concern about the risk associated with hiring faculty members and committing to support graduate students with funds that could end.

In the current environment of higher education, no funding is permanent. The financing of higher education is a complex web of funding from the state, external research grants, tuition, auxiliary income, and philanthropy—all of which is at risk.

Similar to other sources of external research funding, the Schnatter and Koch grants are annually renewable. The leadership of the Gatton College and the University of Kentucky are fully cognizant of the funding risks for these grants, which are similar to those of other grants and sources of external funding on campus.

Nonetheless, absent unpredictable, extraordinary circumstances, I pledge to support any faculty members hired under auspices of the institute through their natural career progressions in the unlikely event we are unable to renew the Schnatter and Koch grants or obtain other external funding. Further, any graduate students obtaining funding from the institute will be supported through their otherwise natural program progressions in the event that external funding is no longer available.

Sincerely,

David W. Blackwell
Dean